

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Delivering long-term return for shareholders

**MAY 2022**

**Closed-end investment company, traded on the London Stock Exchange**

**OBJECTIVE**

UIL Limited ("UIL") seeks to maximise shareholder returns by identifying and making investments where the underlying value is not reflected in the market price.

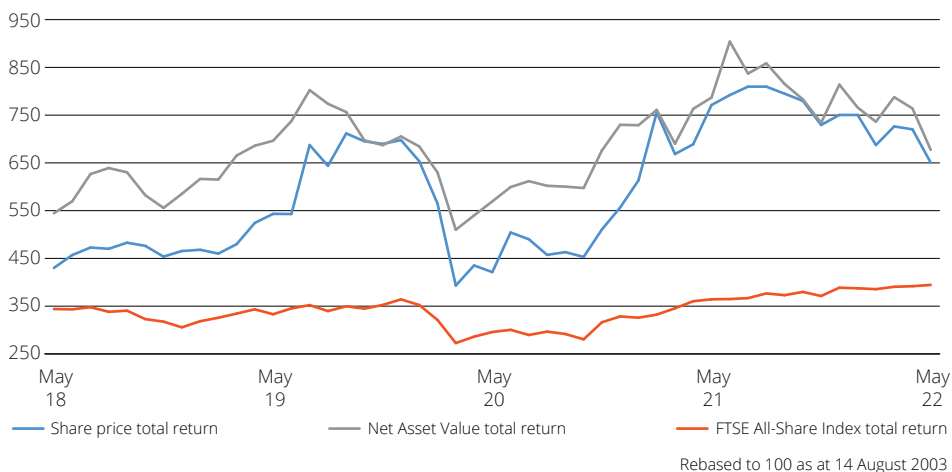
**INVESTMENT APPROACH**

To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility to make investments in a wide range of sectors and markets.

**KEY DATES**

<b>Launch date*</b>	August 2003
<b>Year end</b>	30 June
<b>AGM date</b>	November
<b>Ex-dividend dates</b>	September, December, March & June
<b>Dividend paid dates</b>	September, December, March & June
<b>2022 ZDP shares expiry</b>	31 October 2022
<b>2024 ZDP shares expiry</b>	31 October 2024
<b>2026 ZDP Shares Expiry</b>	31 October 2026
<b>2028 ZDP Shares Expiry</b>	31 October 2028

\*Utilico Investment Trust plc - UIL's predecessor

**PERFORMANCE**

**PERFORMANCE (Total return including dividends)**

	1 month	3 months	1 year	3 years	Inception
Share Price	(9.7%)	(5.3%)	(15.6%)	19.8%	550.7%
Net Asset Value	(11.3%)	(8.0%)	(13.9%)	(2.7%)	577.4%
FTSE All-Share Index total return	0.7%	2.3%	8.3%	18.4%	294.5%

**ROLLING 12 MONTH PERFORMANCE (Total return including dividends)**

12 Months to	May 22	May 21	May 20	May 19	May 18
Share Price	(15.6%)	83.0%	(22.4%)	26.3%	3.4%
Net Asset Value	(13.9%)	38.2%	(18.2%)	27.9%	7.2%
FTSE All-Share Index total return	8.3%	23.1%	(11.2%)	(3.2%)	6.5%

**FUND DETAILS**
**ORDINARY SHARES**

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	318.21p
Share Price	215.00p
Discount to NAV	(32.4%)
Annual average compound return (including dividends)	10.7%
Historic Dividend paid per share	8.00p
Historic Dividend Yield	3.7%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	83,842,918

\*Utilico Investment Trust plc - UIL's predecessor

**CAPITAL STRUCTURE**

Gross Assets less Current Liabilities	£466.2m
Bank and other Debt	£55.8m
ZDP shares 2022	£50.9m
ZDP shares 2024	£36.7m
ZDP shares 2026*	£30.3m
ZDP shares 2028**	£25.7m
Shareholders' Funds (Ordinary Shares)	£266.8m
	£466.2m
Gearing (based on AIC definition)	73.8%

\* includes 2.3m 2026 ZDP shares held by UIL

\*\* includes 0.6m 2028 ZDP shares held by UIL

Gearing AIC - standardised gearing calculation as recommended by the AIC is based on net assets

**PERFORMANCE FEE**

15% of the outperformance over benchmark subject to minimum hurdle of 5% and high watermark, capped at 2.5% of adjusted equity funds.

**INVESTMENT MANAGEMENT FEE**

0.5% of gross assets plus Company Secretarial Fee.

**INVESTMENT MANAGERS**

UIL is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

[www.icm.limited](http://www.icm.limited)

**ZDP SHARES**

	2022	2024	2026	2028
Accrued Capital Entitlement	143.26p	123.67p	122.13p	106.38p
Share Price	144.00p	122.50p	115.50p	99.50p
Premium/(discount) to NAV	0.5%	(0.9%)	(5.4%)	(6.5%)
ZDP Cover*	4.29x	3.10x	2.47x	2.05x
Yield to Redemption*	5.0%	5.2%	6.3%	6.9%
ZDP Redemption Value	146.99p	138.35p	151.50p	152.29p
Shares in issue	35.6m	30.0m	25.0m	25.0m
Ticker	UTL.L	UTL.G.L	UTL.H.L	UTL.L.L

\*based on final redemption values



## PERFORMANCE

UIL's NAV total return decreased by 11.3% in May, underperforming the FTSE All Share total return Index which was up by 0.7% over the month.

Markets in May remained volatile as inflationary pressures weighed on consumers and enterprises globally. Central banks continued to raise rates and to signal further increases. The risk of developed economies slipping into recession has increased. Lockdowns in key Chinese cities continued whilst much of the rest of the World continued to ease restrictions. Markets rallied towards the end of the month on speculation that central banks may not increase rates as fast or as far as expected. Given the current macro headwinds, this optimism may prove to be short lived.

The Federal Reserve raised rates from 0.5% to 1.0% in May and signalled further rises of a similar magnitude would "likely be appropriate at the next couple of meetings". The Bank of England increased rates by 25bps to 1.0%. The Reserve Bank of Australia raised rates for the first time since November 2010 to 0.35%, a 25bps rise. The European Central Bank has signalled that it plans to increase rates in July.

Markets remained volatile although the month end rally resulted in many markets posting a positive return for the month. The S&P 500 and Dow Jones Industrial Average were virtually unchanged for the month, whilst the NASDAQ Composite declined by 2.2%. The FTSE 100 was up 0.8% and the German DAX Index advanced by 2.1%. The ASX 200 in Australia was however down by 3.0% in May and the Eurostoxx declined by 0.4%.

Sterling strengthened against the US Dollar in May by 0.4% but fell 1.1% against the Euro. Emerging markets' currencies were also mixed with the Indian Rupee weaker by 1.9% against Sterling despite a surprise rate increase. The Brazilian Real strengthened by 4.1% against Sterling after a 100bps increase in the SELIC rate.

The Brent Crude oil price continued to rise, up 12.3% in May, on the back of ongoing concerns around energy supplies due to the geopolitical issues with Russia, whilst industrial metal prices such as copper fell by 2.3% during the month, prompted by slower

economic growth expectations and the continuing Covid-19 lockdowns in China. The price of gold declined by 3.1% to 1,837.35/oz.

## PORTFOLIO

There was one change to the top ten constituents in May with Panoramic Resources replacing Orbital. Panoramic Resources is a Western Australian base metal mining company, currently focused on extracting nickel sulphide. UIL's stake in Panoramic was purchased off-market from Zeta Resources.

Somers' valuation declined by 8.2%, primarily due to a 7.7% decline in Resimac's share price, its largest holding. Zeta's NAV declined by 9.3% during the month with its share price down by 10.5%. UEM's NAV increased by 0.6% but its share price declined by 0.9%. Resolute Mining's share price declined by 21.4%, Assetco's share price was down by 30.3% and Starpharma's share price was down 14.8% for the month of May.

The majority shareholders in Somers, including UIL have made an offer to acquire all of Somers' issued shares at a value of USD 21.00 per share. The consideration would be payable in the form of a two year loan note to be listed on the Bermuda Stock Exchange with an annual interest rate of 6.0%.

Purchases during the month for the portfolio totalled £15.9m and realisations amounted to £16.7m.

## DEBT

The bank debt positions were unchanged in underlying foreign currency terms in May, though foreign exchange movements resulted in the overall liability increasing marginally to £51.9m from £51.8m. The facility was drawn as AUD 34.1m, USD 29.7m and EUR 10.6m.

Foreign exchange hedge positions as at the end of May against Sterling were unchanged at AUD 64.6m, CAD 61.8m, USD 61.3m and EUR 9.0m. The Australian Dollar hedge against US Dollar was unchanged at AUD 10.0m.

## OTHER

UIL's ordinary share price decreased by 9.7% to 215.00p. The discount to NAV narrowed slightly to 32.4% as at 31 May 2022.

The share price of the 2022 ZDP shares increased by 0.3% and the 2024 ZDP shares were unchanged. The share prices of the 2026 and 2028 ZDP shares decreased by 0.4% and 0.5%, respectively.

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	36.6%
2	Zeta Resources Limited	19.1%
3	Utilico Emerging Markets Trust plc	15.3%
4	ICM Mobility Group Limited	9.8%
5	Allectus Capital Limited	5.6%
6	Resolute Mining Limited	2.7%
7	Panoramic Resources Limited	2.2%
8	Nautilus Data Technologies, Inc	1.7%
9	AssetCo plc	1.1%
10	Starpharma Holdings Limited	1.1%
<b>Total Top Ten</b>		<b>95.2%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	36.7%
Technology	20.8%
Resources	19.5%
Other	5.6%
Gold Mining	4.5%
Ports	3.4%
Electricity	2.5%
Renewables	1.7%
Telecoms	1.6%
Oil and Gas	1.2%
Water	0.9%
Airports	0.8%
Infrastructure Investments	0.8%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	35.2%
North America	17.9%
UK	13.5%
Asia	10.0%
Europe (excluding UK)	7.1%
Bermuda	4.8%
Latin America	4.6%
Other – Gold mining	4.5%
New Zealand	1.4%
Middle East/Africa	1.0%

UIL declared a third quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2022, which will be paid on 30 June 2022 to shareholders on the register on 6 June 2022.

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**ICM Investment Management Limited and ICM Limited**

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### Important Notes

The information presented on this document is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to deal in UIL. Investments in UIL are subject to investment risks and the value of investments and the income derived from them may fall as well as rise and investors may not get back the principal amount invested. Past performance is not indicative of future performance. Investors should read the prospectus along with the supplement(s) and seek relevant professional advice before making any investment decision. The information presented has been obtained from sources believed to be reliable, but no representation or warranty is given or may be implied that they are accurate or complete. The Investment Managers reserve the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited (registered in England: 08421482), which is authorised and regulated by the Financial Conduct Authority (FRN: 630094).

